

Final Audit Report

Vacant Property Management

Nottingham City Homes

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1 Executive Summary

- 1.01 Vacant property management is the term used to define how organisations deal with vacant property to ensure that rent loss is minimised and the most effective use is made of the housing stock in order to meet housing need.
- 1.02 A vacant property is a property that does not have a current tenancy. The vacant period is the time - measured in calendar days - between the date of termination of the previous tenancy or repossession and the start date of the new tenancy.
- 1.03 The specific objectives of vacant property management should be at least to ensure that:
- properties allocated meet acceptable standards,
 - rent loss through vacant housing is minimised,
 - the management of properties is effective, efficient and adequately monitored, and
 - meeting housing need through the allocation and letting of vacant properties from applicants on the Housing list

Management of vacant property

- 1.04 The management of vacant property is not as robust as it should be largely due to weaknesses in the management structure and performance management.
- 1.05 The responsibility for the whole process is not assigned to a single manager and the various processes that form part of vacant property management are not properly integrated with each other.
- 1.06 A considerable amount of time has been lost in tackling issues surrounding vacant property due to an over reliance upon consultants, in place to overcome perceived weaknesses in management, but which have so far failed to deliver necessary performance improvement, although some success has been achieved in reducing the volume of empty properties from 1st August 2006 and the average relet time for properties becoming vacant since that date.
- 1.07 Targets are not sufficiently challenging, and are not consistently achieved. It does not appear that individual managers are held accountable for poor performance. For instance, the 37 day target for 'new vacant property' as currently broken down across the key stages is acknowledged as not challenging and is being revised for 2007-08.
- 1.08 In order to minimise the time that a property is vacant it is essential that each process within the vacant period is undertaken in a timely and efficient manner, and performance of each process monitored. We consider that the overall average relet time, in the medium term, can be reduced by more effective organisation of these processes.

Termination of Tenancy and Inspections

- 1.09 All properties should be inspected, both prior to (with the tenants' agreement) and following the termination of the tenancy, in order to assess whether the property achieves the lettable standard.
- 1.10 A pre termination visit should be conducted within 14 calendar days of receipt of the notice to quit, but we noted that the visits are not consistently undertaken. To February 2007, pre termination visits were conducted in 64% of all terminations, but there is wide variation between areas. For example, in the Bestwood area, visits are conducted in 81% of instances, whereas this falls to 51% in St Anns and 43% in Clifton.
- 1.11 There are instances where pre termination visits are conducted when the keys come in to the Housing Office. This causes delays in handing the keys to technical division, and is ultimately pointless.
- 1.12 Outgoing tenants are requested to complete a tenant exit survey and the completed survey is requested to be returned by post. In consequence very few surveys (only 2-3 per month) are returned and the opportunity is lost to use exit data to analyse tenant satisfaction with the service.
- 1.13 A post termination inspection should be completed on all vacant properties and where possible this should be completed within an agreed time of keys being returned. We ascertained that a post termination inspection is always conducted.
- 1.14 The outgoing tenant will be informed within an agreed time of the post termination inspection if there are any outstanding items for which they will be recharged. Whilst procedures exist to apply recharges, officers that we spoke to were not convinced that these procedures were consistently applied. We understand that recharges are, at the time that this audit was conducted, being reviewed.
- 1.15 Notwithstanding recommendations made by the Tenants Services Inspection Team regular inspections of property when empty are not conducted, and as a result, vandalism, graffiti, litter and overgrown gardens etc might not be detected until prospective tenants visit the property.

Repairs and cleaning prior to ready to let.

- 1.16 The repair and cleaning element is potentially the most time consuming part of the vacant property process. It is therefore essential to ensure that necessary work is undertaken to required quality standards in the shortest possible time.
- 1.17 The target in which property should be made ready to let is within an average 19 working days of the Technical division obtaining the property keys. Within this 19 day target is a target to conduct a post termination inspection within 5 working days.
- 1.18 These targets are not challenging, and this view is borne out by the Audit Commission, and benchmarking of relet times.
- 1.19 A common cause of delay with commencement of repairs is that the outgoing tenant has failed to properly clear the property. A more consistent approach across all areas to pre termination inspections, at which the tenant is reminded of his responsibilities,

together with confirmation in writing immediately prior to departure, might reduce the amount of clearance work necessary.

- 1.20 Also greater volumes of pre termination inspections would assist in work scheduling, as specialist repairs, as well as obvious non specialist repairs and potential external cleaning could be identified earlier.
- 1.21 Our testing also suggests that time is frequently lost due to failure of the post completion inspection, necessitating remedial work and a second inspection.
- 1.22 In addition to failing to consistently meet unchallenging targets, tenants are not universally satisfied with the quality of repairs and cleaning. In Quarter 3 2006/7, 26% of new tenants were dissatisfied with both the condition of their new home and garden when viewed, and with the quality of vacant property repairs.

Ready to let Properties

- 1.23 Ready to let properties need to be marketed and prospective tenants, including transfers, selected in accordance with the Allocations Policy. When a prospective tenant has indicated their acceptance of a vacant property, the date of entry to the house must be agreed and possession should be as soon as possible after all essential repairs are completed.
- 1.24 The Audit Commission noted in March 2006 that “The efficiency of the lettings process is not being maximised and this is adding to delays to the time it takes to re-let properties”
- 1.25 Performance data regarding reletting to 31st January 2007 indicates that improvement is still required.
- 1.26 We noted that the number of working days taken at stage 6 (ready to let to relet) of the vacant property process, shows considerable variation between Housing Office areas.
- 1.27 There are a number of reasons why the time taken from ready to let to relet exceed the target of 5 days:
 - Inefficiencies in the allocations and letting process, such as the time taken to register application forms (12.7 days v 5 days target, (AL-1)), are potentially prejudicial to the average re-let time.
 - Although the average number of offers per property has improved since the introduction of CBL, only 48% of property is relet on first offer (AL-3), even though offers are made in response to tenants’ bids. The need to make second or subsequent offers obviously delays reletting the property.
 - Property is not generally proactively “marketed” and in consequence the time taken to relet a property measured from the time it is ready to let, is far greater than the target. Properties are not advertised on Homelink until the keys come in from the existing tenant. This means that the notice period is not used effectively. Further, applicants are not able to view properties during the notice period or whilst works are ongoing.

Hard to let properties

- 1.28 The Audit Commission commented in their report of March 2006 that:
- “Hard to let properties (except for sheltered accommodation) are not clearly defined or adequately registered and monitored. There are also no formal policies or procedures for upgrading finished standards for homes to be re-let in hard to let areas and decisions to upgrade finishes are often ad hoc and left to individual housing patch managers. However, NCH is in the process of preparing a hard to let register based on the ODPM definition of ‘hard to let’ and this is planned to be introduced later in the year”
- 1.29 We found that a hard to relet register has now been prepared and that there is an understanding of why and where properties are hard to let, but that there is no systematic response or strategy to make these properties easier to let. For instance, if a property is hard to let due to condition, there is no strategy for condition improvement at present.
- 1.30 There is no separate relet standard for hard to let properties. A standard should have been developed by June 2006 but still has not been completed, although we understand that the intention still presently exists to develop separate relet standards for the whole city and specific areas, designed to make these hard to relet properties more desirable and easier to let.
- 1.31 Some property in the hard to let register, is in reality almost impossible to let. Examples include low rise sheltered accommodation without lifts which are not fit for purpose. We are not aware that any long-term options appraisal for stock which is consistently hard-to-let or not fit for purpose has been undertaken.

Performance monitoring

- 1.32 Regular performance monitoring of the vacancy management process is essential, and performance measures should at least include the percentage of gross rent receivable (or rent loss due to vacant property), average time taken to relet property (which should be broken down into time periods and between activities forming part of the vacancy period) and long term vacant property.
- 1.33 We ascertained that the Strategic Board and Delivery Plan Panel receive performance reports that specifically relate to vacant property on a monthly basis:
- 1.34 The headline performance figure for vacant property management is BV212, the average re let time, and this is one of the few indicators that can be properly benchmarked.
- 1.35 In accordance with the terms of their engagement, Housemark have examined the systems and calculations used by Nottingham City Homes to produce the average relet time and concluded that the calculation of the average time to relet housing did not comply with the definitions published in the Audit Commission guidance.
- 1.36 Officers responsible for performance monitoring consider that the method of calculation used most fairly reflects relet performance and Housemark comment on the strengths of the approach taken. The methodology adopted also ties in neatly

with other indicators such as lost rent. They also have a strong conviction that assuming the compliant methodology would result in an artificial improvement in the relet time. Notwithstanding this, we understand that subsequent to the completion of our audit fieldwork all changes have now been made to comply with the guidance and indeed backdated for 2006-07 prior to year end sign off of BVPI data.

- 1.37 At 31st January 2007, the average re-let time was 73.7 days, which is bottom quartile performance, and only 31% of properties were relet within the target relet time.
- 1.38 The unfortunate aspect of the predominance of the average re-let time measure is that when long standing vacant property is let, this is actually a positive event, but will impact negatively on the reported average re-let time.
- 1.39 Some progress has been made with letting long standing vacant property during the year. Since NCH was formed on 1st April 2005 the number of vacant lettable properties has been reduced from 1,066 to 638 and the number of vacant lettable property empty for more than six months from 411 to 173 as at 31st March 2007).

2 Introduction

- 2.01 Vacant property management is the term used to define how organisations deal with vacant property to ensure that rent loss is minimised and the most effective use is made of the housing stock in order to meet housing need.
- 2.02 A vacant property is a property that does not have a current tenancy. The vacant period is the time - measured in calendar days - between the date of termination of the previous tenancy or repossession and the start date of the new tenancy.
- 2.03 The specific objectives of vacant property management should be at least to ensure that:
- properties allocated meet acceptable standards,
 - rent loss through vacant housing is minimised,
 - the management of properties is effective, efficient and adequately monitored, and
 - meeting housing need through the allocation and letting of vacant properties from applicants on the Housing list

3 Scope and Approach

- 3.01 In March 2006 the Audit Commission examined operations at NCH and came to the following conclusions with regard to vacant property management
- “The voids service is poorly managed with lengthy times taken to repair properties and re-let them.” and
- “there are significant weaknesses and very few strengths”.
- 3.02 This audit considers progress made since March 2006 in improving vacant property performance, and is based upon the findings of our own testing, and takes into account analysis undertaken by the Performance and Best Value section, as well as company publications and the written advice of external consultants.
- 3.03 Our own testing is conducted using random samples of vacant property experiences drawn from the iWorld system together with analysis of relet history for all properties let in 2006/7 up to 12th February 2007 provided as a data file by Housing ICT.
- 3.04 City Audit Services would like to thank staff at both Nottingham City Homes and Nottingham City Council and in particular Neil Barks for the help we received during this audit.

4 Summary of Findings

1. Audit Commission Inspection

4.01 In March 2006 the Audit Commission examined operations at NCH and came to the following conclusions with regard to vacant property management

“The voids service is poorly managed with lengthy times taken to repair properties and re-let them.” and

“there are significant weaknesses and very few strengths”.

4.02 The Audit Commission recommended that a whole systems analysis was undertaken in order to identify accurately the inefficiencies in the current process.

4.03 This analysis has been undertaken, but there is little evidence that findings made have resulted in satisfactory levels of performance to date. Some success has been achieved in reducing the volume of empty properties from 1st August 2006 and the average relet time for properties becoming vacant since that date.

4.04 The Audit Commission made four other recommendations that specifically relate to vacant property management. Progress with the implementation of these recommendations is considered in the following sections.

2. Management of Vacant property

4.05 The management of vacant property is not as robust as it should be largely due to weaknesses in the management structure and performance management.

4.06 Firstly, the responsibility for the whole process is not assigned to a single manager and the various processes that form part of vacant property management are not properly integrated with each other.

4.07 We understand that this will change when one of the present HOAOs will assume overall responsibility for all aspects of vacant property in 2007/8. This is a welcome development, and should ensure better integration of processes.

4.08 Benefits will only accrue however if senior management are visibly committed to this change in organisation as it is inevitable that significant changes will be required in practices to improve performance.

4.09 Secondly, a considerable amount of time has been lost in tackling issues surrounding vacant property due to an over reliance upon consultants, in place to overcome perceived weaknesses in management, but which have so far failed to deliver necessary performance improvement, although some success has been achieved in reducing the volume of empty properties from 1st August 2006 and the average relet time for properties becoming vacant since that date.

4.10 In July 2005 consultants were appointed to manage performance improvement. The primary service performance outputs required within the Housing Operations

Directorate were amongst others, an overall average relet time as defined by the Audit Commission of no greater than 37 days for all properties becoming vacant from 1st July 2005.

- 4.11 This objective, along with many of the other service outputs required during 2005-06 was not achieved. In consequence, a review of performance improvement was undertaken with the consultants. NCH were clearly dissatisfied with the outcomes and the consultants for their part considered that the full support and partnership working required for success had not been forthcoming from the Company. It was therefore mutually agreed that the arrangement was dissolved with effect from 28th February 2006.
- 4.12 HouseMark/Pinnacle has been commissioned to provide support and consultancy on a wide range of projects linked to the Key Deliverables for 2006-7.
- 4.13 A vacant property process review was carried out very early on in the project and a new process has been agreed with teams. A report on the process review has been produced and presented to both the Delivery Plan Panel and the Performance Accountability Body. It has been used to inform a number of changes in the vacant property management process since then.
- 4.14 A new Lettable Standard has been produced and widely consulted on with Operational and Technical DMTs, the HPM Focus Group and the Tenant Inspectors'. The Standard has now been signed off by EMT and is in use
- 4.15 Notwithstanding this, performance on vacant property still remain a significant concern, and the relet standard is being reviewed again, as standards are not considered high enough to improve performance with vacant property.
- 4.16 We understand that existing consulting arrangements will cease in March 2007, and in future consultants will only be engaged to deal with detailed specific issues.
- 4.17 Finally, targets are not sufficiently challenging, and are not consistently achieved. It does not appear that individual managers are held accountable for poor performance.
- 4.18 In order to minimise the time that a property is vacant it is essential that each process within the vacant period is undertaken in a timely and efficient manner, and performance of each process monitored.
- 4.19 At present a relet target for vacant property requiring "minor works" exists of 37 calendar days, which equates to 26 working days.
- 4.20 The time in working days is composed as follows:

Collection of keys by Technical Division	2 Days
Time with Technical division including inspection, repair and post inspection.	19 days
Relet target from ready to let status	5 Days

- 4.21 The service standard published on the website still shows the old target of 45 calendar days.

- 4.22 The timing of each major process is now monitored by the Performance and Best Value section on a monthly basis, by monitoring the house key movement.
- 4.23 We consider that the overall average relet time, in the medium term, can be reduced by more effective organisation of the processes undertaken within the vacant period.
- 4.24 The time taken in the Technical Division obtaining property keys could be reduced by the use of suited keys, the installation of external key safes, and daily collections run to all housing offices, to the extent that entry by the Technical division could be achieved on the day of vacation or the following day. None of these options are presently employed.
- 4.25 Our observations in respect of repairs and relet processes are considered further in the following sections.

3 Termination of Tenancy and Inspections

- 4.26 All properties should be inspected, both prior to (with the tenants' agreement) and following the termination of the tenancy, in order to ensure that the property meets the lettable standard.

Pre-termination Inspections

- 4.27 A pre-termination inspection should be completed, with the agreement of the tenant, within an agreed time of receipt of the notice of termination. The tenant should be asked to attend the inspection. The inspection provides a good and early opportunity to:
- identify any aspects of disrepair and establish those which are the responsibility of the tenant or the Company, as well as giving the outgoing tenant the opportunity to remedy any defect for which they are responsible prior to the end of the tenancy;
 - check that any alterations completed by the outgoing tenant are of a satisfactory standard and again give the outgoing tenant the opportunity to remedy any defect for which they are responsible prior to the end of the tenancy;
 - identify any specialist materials or repairs
 - identify who utility providers are (if not already known);
 - agree that all carpets, floor coverings, furniture and so on will be removed from the property and remind the outgoing tenant prior to leaving that any items left will be removed and a charge will be made for removal;
 - identify any adaptation or special feature of the property to assist in the allocation process;
 - assess any redecoration allowance for any future tenant;
 - agree the general condition of the property on termination; and
 - update the Allocations team.

- 4.28 A standard form should be completed at the pre-termination inspection and signed by the NCH Inspection Officer and the tenant. A copy should be, but is not given to the tenant.
- 4.29 The visits should be conducted within 14 calendar days of receipt of the notice to quit, but we noted that the visits are not consistently undertaken. To February 2007, pre termination visits were conducted in 64% of all terminations, but there is wide variation between areas. For example, in the Bestwood area, visits are conducted in 81% of instances, whereas this falls to 51% in St Anns and 43% in Clifton.
- 4.30 We noted that there are instances where pre termination visits are conducted when the keys come in to the Housing Office. This causes delays in handing the keys to technical division, and is ultimately pointless.
- 4.31 If defects are not remedied prior to the end of the tenancy, or if work completed is not of a satisfactory standard, a recharge should then be raised for the cost of the works. This is considered more fully in the post termination section which follows.
- 4.32 The co-operation of the tenant should be sought to:
- allow access at reasonable times to show prospective tenants around the property and
 - complete a tenant exit survey. The data collected should be used to analyse tenant satisfaction with the service.
- 4.33 Our enquiries revealed that pre termination visits do not identify who utility providers are (if not already known) or assess any redecoration allowance for any future tenant, the latter being determined at the post termination inspection.
- 4.34 We ascertained that no request is made of the tenant to permit prospective tenants to be shown around the property during the notice period.
- 4.35 We found that outgoing tenants are requested to complete a tenant exit survey and the completed survey is requested to be returned by post. In consequence very few surveys (only 2-3 per month) are returned and the opportunity is lost to use exit data to analyse tenant satisfaction with the service.

Post Termination Inspections

- 4.36 A post termination inspection should be completed on all vacant properties and where possible this should be completed within an agreed time of keys being returned. The purpose of this inspection will be to:
- ensure the property is actually empty (of people, pets and goods);
 - ensure the property is secure;
 - complete mandatory checks according to inspection forms/lists including arranging for gas and electrical appliances and installations to be professionally checked;
 - identify and assess any further repairs that are required to the property in order to meet the minimum standards for properties to be relet;
 - assess the decorative standard and review the level of decoration;

- identify whether there are any outstanding items of disrepair which are the responsibility of the outgoing tenant. If defects have not been remedied prior to the end of the tenancy, or if work completed is not of a satisfactory standard, a recharge should then be raised for the cost of the works;
- ensure the outgoing tenant is protected where they have left the property in good condition but damage occurs during the vacant period or when the new tenant is moving in; and
- determine whether prospective tenants can view the property during repair. (if applicable).

4.37 We ascertained that a post termination inspection is always conducted. The inspection will identify which repairs can be carried out after occupation, as distinct from 'essential repairs', which must be carried out before occupation in order for the property to meet the 'vacant property relet standard'. Essential repairs include:

- repairs essential to make the property habitable;
- repairs required to comply with health, safety and security requirements;
- repairs that are impractical to do in an occupied property; and
- the removal of substandard tenant alterations.

4.38 The outgoing tenant will be informed within an agreed time of the post termination inspection if there are any outstanding items for which they will be recharged. Whilst procedures exist to apply recharges, officers that we spoke to were not convinced that these procedures were consistently applied. We understand that recharges are, at the time that this audit was conducted, being reviewed.

4.39 We are assured that the outgoing tenant is protected where they have left the property in good condition but damage occurs during the vacant period or when the new tenant is moving in, as photographs are taken of the property during the post inspection visit.

4.40 We noted that prospective tenants are not shown around the property until after repairs are completed and the property is deemed ready to let.

Abandoned Properties

4.41 If it is suspected that a property has been abandoned reasonable enquiries should be conducted in order to establish the whereabouts of the tenant(s) and confirm that the property is unoccupied and that the tenant(s) no longer intends to occupy it as their only or principal home.

4.42 We are aware that an abandonment procedure is in force, and enquiries made include contact with any known relatives, neighbours and contact with other agencies, for example, Council Tax.

4.43 Where investigations have been undertaken and it has been confirmed that a property has been abandoned, the property is made secure as soon as possible.

Empty Property Inspections

- 4.44 Notwithstanding recommendations made by the Tenants Services Inspection Team regular inspections of property when empty are not conducted, and as a result, vandalism, graffiti, litter and overgrown gardens etc might not be detected until prospective tenants visit the property.
- 4.45 Our enquiries revealed that there is no programme of frequent periodic tenancy checks. (They are biannual).

4 Repairs and cleaning prior to ready to let.

- 4.46 The repair and cleaning element is potentially the most time consuming part of the vacant property process. It is therefore essential to ensure that necessary work is undertaken to required quality standards in the shortest possible time.
- 4.47 This audit does not examine directly vacant property repairs and cleaning other than to consider the effect on the time that properties are vacant.
- 4.48 The Audit Commission recommended that repairs to vacant homes are completed within challenging target times.
- 4.49 The target in which property should be ready to let is within an average 19 working days of the Technical division obtaining the property keys. Within this 19 day target is a target to conduct a post termination inspection within 5 working days.
- 4.50 These targets are not challenging, and this view is borne out by the Audit Commission, and benchmarking of relet times.
- 4.51 With better organisation and scheduling based on receipt of the Notice to Quit rather than the day the keys become available, post termination property inspections could be completed within 2 working days.
- 4.52 We ascertained that a common cause of delay with commencement of repairs is that the outgoing tenant has failed to properly clear the property. A more consistent approach across all areas to pre termination inspections, at which the tenant is reminded of his responsibilities, together with confirmation in writing immediately prior to departure, might reduce the amount of clearance work necessary.
- 4.53 Also greater volumes of pre termination inspections would assist in work scheduling, as specialist repairs, as well as obvious non specialist repairs and potential external cleaning could be identified earlier.
- 4.54 At present vacant property requiring “minor works” can re classified as 1week, 2 week, 3 week, or 4 week repairs, and there is no evidence to suggest that this assessment is questioned. Based upon top quartile relet performance the service needs to ensure that resources are available to complete repair work within a maximum of 10 working days.
- 4.55 Technical division has a further target of 4 days to clean the property, successfully complete a final inspection and return the keys. Again this target is not challenging, and the actual time taken could be reduced though better planning.

- 4.56 Our testing also suggests that time is frequently lost due to failure of the post completion inspection, necessitating remedial work and a second inspection.
- 4.57 In March 2006 the Head of Performance & Best Value commissioned the Tenant Services Inspection Team to undertake a scrutiny exercise focussed upon the standard of empty properties deemed 'Ready to let' by the Company during that month.
- 4.58 The scrutiny consisted of visits to 10% of all properties deemed ready to let in the period to establish whether they met the 'lettable standard' and whether they were ready for a prospective tenant to move into. The 'lettable standard' is a minimum standard that has been agreed with tenants.
- 4.59 Of the properties visited 10% were deemed to have failed to achieve this lettable standard.
- 4.60 Concerns were also expressed that the lettable standard was not sufficiently wide reaching to provide a true reflection of the quality of the 'finished product' that was being offered to prospective new tenants.
- 4.61 In particular,
- 44% of properties with communal areas suffered from graffiti, overgrown gardens, litter and smashed windows.
 - 24% of the properties were considered to be of an insufficient standard of cleanliness
 - 24% of the properties were considered to be of an insufficient standard of decoration
 - 7% had issues of fly tipping to the garden
- 4.62 Our testing suggests that insufficient attention has been paid to the recommendations made in this report as many of the issues raised in the report have still not been properly addressed. As indicated above, the lettable standard was subsequently reviewed, but requires revision again. In addition, empty property inspections are not conducted, and post completion inspection failures are common.
- 4.63 The Performance and Best Value section have monitored the time taken in key stages within the vacant property process, based on all properties (let and unlet) and on properties actually relet. This was achieved by monitoring the movement of the house keys. The findings are as follows:

Relet Basis. Cumulative to 31 January 2007

<i>Activity</i>		<i>Average All Areas (Days)</i>	<i>Average Best Area (Days)</i>	<i>Average Worst Area (Days)</i>
Keys	to	6.8	2.6	11.1
Technical				
Time	at	29.4	21.1	38.7
Technical				

Current Basis. for November 2006

<i>Activity</i>	<i>Average All Areas (% within target)</i>	<i>Average Best Area (% within target)</i>	<i>Average Worst Area (% within target)</i>
Keys to Technical	90	100	68
Stage 2 to 5	32	63	15

4.64 In addition to failing to consistently meet unchallenging targets, tenants are not universally satisfied with the quality of repairs and cleaning. In Quarter 3 2006/7, 26% of new tenants were dissatisfied with both the condition of their new home and garden when viewed, and with the quality of vacant property repairs.

4.65 Our testing also suggests that the iWorld system is not consistently correctly updated. For instance, unconfirmed vacancy dates entered after keys are with the Technical Division and the date that keys leave Technical Division is not consistently noted.

5 Ready to let Properties

4.66 The final key process following repair of a vacant property is to relet the property to a new tenant.

4.67 Ready to let properties need to be marketed and prospective tenants, including transfers, selected in accordance with the Allocations Policy. When a prospective tenant has indicated their acceptance of a vacant property, the date of entry to the house must be agreed and possession should be as soon as possible after all essential repairs are completed.

4.68 The Audit Commission noted in March 2006 that “The efficiency of the lettings process is not being maximised and this is adding to delays to the time it takes to relet properties”

4.69 The scrutiny exercise conducted by the Tenant Services Inspection team and referred to above found that of the properties visited 36.6% still remained empty five weeks after the scrutiny work had taken place.

4.70 In our opinion performance data regarding reletting to 31st January 2007, indicates that improvement is still required.

<i>Selected Performance Measure</i>	<i>For January 2007</i>	<i>Cumulative</i>	<i>Target</i>
Average time taken to register an application form – Days	21.7	12.7	5
Average number of offers taken to let a property	2.1	2.4	1.5
% of properties let that were accepted on their first offer	51%	48%	65%
Percentage of properties with no bids and broken down to include ineligible bids	5.0%	5.1%	No target set.
% of properties let that were advertised through the CBL scheme	96%	76%	
Working days taken at stage 6 (ready to let to relet) of the vacant property process	17	17	5

4.71 We noted that the number of working days taken at stage 6 (ready to let to relet) of the vacant property process, shows considerable variation between Housing Office areas.

<i>Activity</i>	<i>Average All Areas</i>	<i>Average Best Area</i>	<i>Average Worst Area</i>
<i>Relet Basis. Cumulative to 31 Jan 2007 (Days)</i>	17.4	10.9	26.8
<i>Current Basis. For November 2006 (% let within target time)</i>	39%	62%	13%

4.72 We consider that there are a number of reasons why the time taken from ready to let to relet exceed the target of 5 days.

Registration of Application Forms

4.73 Inefficiencies in the allocations and letting process, such as the time taken to register application forms (12.7 days v 5 days target, (AL-1)), are potentially prejudicial to the average re-let time.

Multiple Offers under CBL

- 4.74 Although the average number of offers per property has improved since the introduction of CBL, only 48% of property relet on first offer (AL-3), even though offers are made in response to tenant's bids. The need to make second or subsequent offers obviously delays reletting the property.
- 4.75 Whilst information is collected on why applicants refuse properties, there is limited evidence that this information is actually used to improve service provision or performance.
- 4.76 In Quarter 3 2006/7, the latest complete quarter, it is surprising that even under CBL, the refusal rate runs at 33% and that 50% of these refusals were due to location or lack of facilities. This may be because speculative bids are made by prospective tenants without adequate consideration. We understand that a tenant may make any number of withdrawn bids without penalty.
- 4.77 In some areas, more than 10% of refusals are due to property condition, which reinforces the findings of the Tenant Services Inspection team.

Marketing

- 4.78 The major cause however appears to be that property is not generally proactively "marketed" and in consequence the time taken to relet a property measured from the time it is ready to let, is far greater than the target.
- 4.79 Properties are not advertised on Homelink until the keys come in from the existing tenant. This means that the notice period is not used effectively.
- 4.80 Further, applicants are not able to view properties during the notice period or whilst works are ongoing.
- 4.81 More effort is needed to reduce the appearance of blight. For example, the excessive use of steel screens in empty properties (although targets do exist to reduce the use of screens in 2007/8), the reduction in graffiti and litter etc, which was suggested in March 2006, but is still not done consistently.
- 4.82 There are of course some positives to be found in the letting process. In particular the company:
- provides good quality and relevant information about a property's attributes, and the local neighbourhood facilities in advance of any viewing, and as part of information provided for choice-based letting.
 - does have a revised minimum re-let standard agreed with tenants, (but does not systematically achieve it and tenant satisfaction with certain re-let standards needs improvement). Overall satisfaction with new home service in Quarter 3 2006/7, the latest complete quarter, is 89%, but within that figure, satisfaction with quality of vacant property repairs is much lower at 74%.

- carries out some accompanied viewings and ensures that appropriate support is available for some vulnerable service users at the start of their tenancies via the Supporting People program.

6. Hard to let properties

4.83 The Audit Commission commented in their report of March 2006 that:

“Hard to let properties (except for sheltered accommodation) are not clearly defined or adequately registered and monitored. There are also no formal policies or procedures for upgrading finished standards for homes to be re-let in hard to let areas and decisions to upgrade finishes are often ad hoc and left to individual housing patch managers. However, NCH is in the process of preparing a hard to let register based on the ODPM definition of ‘hard to let’ and this is planned to be introduced later in the year”

4.84 We found that a hard to relet register has now been prepared and that there is an understanding of why and where properties are hard to let, but that there is no systematic response or strategy to make these properties easier to let. For instance, if a property is hard to let due to condition, there is no strategy for condition improvement at present.

4.85 There is no separate relet standard for hard to let properties. A standard should have been developed by June 2006 but still has not been completed, although we understand that the intention still presently exists to develop separate relet standards for the whole city and specific areas, designed to make these hard to relet properties more desirable and easier to let.

4.86 Some property in the hard to let register, is in reality almost impossible to let. Examples include low rise sheltered accommodation without lifts which are not fit for purpose. We are not aware that any long-term options appraisal for stock which is consistently hard-to-let or not fit for purpose has been undertaken.

7 Performance monitoring

4.87 Regular performance monitoring of the vacant property management process is essential, and performance measures should at least include the percentage of gross rent receivable (or rent loss due to vacant property), average time taken to relet property (which should be broken down into time periods and between activities forming part of the vacant property period) and long term vacant property.

4.88 We ascertained that the Strategic Board and Delivery Plan Panel receive the following performance measures that specifically relate to vacant property on a monthly basis:

- BV212 - Average Relet Time
- Local PI - Rent lost due to vacant properties
- Local PI - % of properties let within target
- Local PI - Number of lettable properties vacant
- Local PI - Number of lettable properties vacant for over 6 months

- 4.89 The headline performance figure for vacant property management is BV212, the average re let time, and this is one of the few indicators that can be properly benchmarked.
- 4.90 In accordance with the terms of their engagement, Housemark have examined the systems and calculations used by Nottingham City Homes to produce the average relet time:
- 4.91 They assessed Nottingham City Homes' systems and calculations for the first 6 months of the 2006/07 year against the criteria contained within the definitions published in the Audit Commission guidance *Best Value Performance Indicators 2005/06* (the latest available at the time of validation) and concluded that the calculation of the average time to relet housing did not comply with the definitions published in the Audit Commission guidance.
- 4.92 Officers responsible for performance monitoring consider that the method of calculation used most fairly reflects relet performance and Housemark comment on the strengths of approach taken. The methodology adopted also ties in neatly with other indicators such as lost rent. They also have a strong conviction that assuming the compliant methodology would result in an artificial improvement in the relet time. Notwithstanding this, we understand that subsequent to the completion of our audit fieldwork all changes have now been made to comply with the guidance and indeed backdated for 2006-07 prior to year end sign off of BVPI data.
- 4.93 If any aspects of the existing methodology are maintained internally, the compliant methodology must be used for external reporting. It is clearly essential that internal and externally reported figures are properly reconciled and any externally reported figures for previous years restated where used for comparative purposes.
- 4.94 At 31st January 2007, the average re-let time was 73.7 days, which is bottom quartile performance, and only 31% of properties were relet within the target relet time.
- 4.95 We analysed all properties relet in the period 1st April 2006 to 12th February 2007 and found that 45% of the properties actually relet, were relet more than 25 days outside the target time.

<i>Relet time</i>	<i>Number</i>	<i>%</i>
<i>Within target</i>	817	29%
<i>Above target</i>		
<i>0 - 25 days</i>	730	26%
<i>26 - 50 days</i>	454	16%
<i>51 - 75 days</i>	257	9%
<i>66 - 100 days</i>	106	4%
<i>101 - 200 days</i>	240	9%
<i>201 - 300 days</i>	74	3%
<i>301 - 500 days</i>	54	2%
<i>501 - 1000 days</i>	49	2%
<i>1000+ days</i>	16	1%
<i>Total properties let 1st April 2007 to 12th February 2007</i>	2797	100%

- 4.96 The unfortunate aspect of the predominance of the average re-let time measure is that when long standing vacant property is let, this is actually a positive event, but will impact negatively on the reported average re-let time.
- 4.97 Some progress has been made with letting long standing vacant property during the year:

<i>Lettable property vacant for greater than 6 months:</i>		
	Number	% of lettable stock
<i>At 31st March 2005</i>	411	1.3%
<i>At 31st March 2006</i>	214	0.7%
<i>At 31st January 2007</i>	172	0.6%

<i>Lettable property vacant - Not available for offer</i>	
<i>At 31st March 2005</i>	1.0%
<i>At 31st March 2006</i>	0.6%
<i>At 31st January 2007</i>	0.8% (0.5% at 30 th September 2006)

- 4.98 In addition, at 31st January 2007, rent loss due to vacant property (TEM-4) is 3.4% and continues to show a steady downward trend, although this is bottom quartile performance.
- 4.99 The average relet time quoted in management information is distorted by backlog properties. For internal purposes only it would be beneficial to segment performance to quantify the effect of vacant property over 6 months, lets of sheltered accommodation and other HTL properties and thereby highlight underlying performance of vacant property relets.
- 4.100 The Performance and Best Value team maintain an impressive array of performance information. For instance, extensive data and analysis is available in respect of performance of intermediate activities within the vacant property cycle, reason for refusals of offers, CBL performance and new tenant satisfaction. It is not apparent however that this information is being put to good use. Reporting would also be greatly enhanced by reporting performance of intermediate activities within the vacant property cycle.
- 4.101 Performance in respect of vacant property management and housing rents generally should be rigorously benchmarked in order to secure improvement.
- 4.102 We observed that the company is a member of the Housemark ALMO benchmarking club, through which there exists the ability to generate the custom reports on demand. A number of advantages are presented including the ability to choose a club or peer group against which to compare performance, and as the Housemark system is constantly updated with new data, comparisons will always be the very latest available.

- 4.103 Benchmarking has already been conducted in respect of 2006/7 in September 2006.
- 4.104 As at September 2006, the service remains one of the worst performing in respect of vacant property management.

Performance Indicator	2005/06					2006/07 2nd Quarter				
	<u>NCH</u>	<u>NCH</u> <u>Rank</u>	<i>Up</i> <i>Qtr</i>	<i>Lwr</i> <i>Qtr</i>	<u>NCH</u> <u>Qtr</u>	<u>NCH</u>	<u>NCH</u> <u>Rank</u>	<i>Up</i> <i>Qtr</i>	<i>Lwr</i> <i>Qtr</i>	<u>NCH</u> <u>Qtr</u>
1. BV212 – Average relet times	74.5	53 rd of 56	28.98	54.00	Low	76.71	54 th of 56	26.95	40.82	Low
2. % of rent lost due to vacant properties	4.7	45 th of 47	1.10	2.17	Low	4.02	45 th of 46	1.12	2.14	Low

	CPP Empty Properties		PPE Empty Properties		Void rent loss		% units re-let		% units vacant but available	
	£	Rank	Num	Rank	%	Rank	%	Rank	%	Rank
Upper Quartile	34		1275		1.7		6.1		0.0	
Median	38		1055		2.3		7.8		0.6	
Lower Quartile	48		824		2.8		9.4		1.1	
NCH	80	24/24	559	23/24	4.0	17/18	9.6	14/18	2.2	22/24

5 Action Plan

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
Process Analysis					
5.01	<p>The Audit Commission recommended that a whole systems analysis was undertaken in order to identify accurately the inefficiencies in the current process.</p> <p>This analysis has been undertaken, but there is little evidence that findings made have achieved improved performance to date.</p>	<p>The whole systems analysis should be revisited, to provide focus to necessary changes required to secure improved performance.</p>	Medium	<p>See Allocations, Lettings and Voids Service Improvement Plan 2007/8.</p> <p>A central team for voids and lettings will be implemented and all procedures will be reviewed including roles so that inefficiencies are addressed.</p>	<p>Business Manager</p> <p>October 2007</p>
Management structure and performance management					
5.02	<p>The management of vacant property is not as robust as it should be largely due to weaknesses in the management structure and performance management. Responsibility for the whole process is not assigned to a single manager and the</p>	<p>Senior management should be visibly committed to this change in organisation as it is inevitable that significant changes will be required</p>	Medium	<p>Strategic Board and EMT approved the interim restructure and this included the formation of a combined team including housing mgt,</p>	<p>Head of Operations</p> <p>July 2007</p>

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	various processes that form part of vacant property management are not properly integrated with each other. We understand that this will change when one of the present HOAOs will assume overall responsibility for all aspects of vacant property in 2007/8. This is a welcome development, and should ensure better integration of processes.	in practices to improve performance. Procedures should be reviewed with particular emphasis on how various activities fit together to allow processes as a whole to flow efficiently.		technical, emergency accommodation and decommissioning. Procedures and roles are now being reviewed to ensure they are fit for purpose.	
5.03	Targets are not sufficiently challenging, and are not consistently achieved. It does not appear that individual managers are held accountable for poor performance.	Targets should be critically reviewed and managers made properly accountable for their performance.	Medium	Challenging targets per month have been set and individuals will be performance managed to ensure that targets are achieved.	Head of Operations August 2007
5.04	The time taken in the Technical Division obtaining property keys could be reduced	Consideration should be given to the use of suited keys, the installation of external key safes, or daily collections runs to all housing offices, to the extent that entry by the Technical division could	Medium	The first stage of the void process has a target of 1 day – Keys to Technical. Line Managers are accountable for this performance target. Suited keys for all void	Lettings Managers September 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
		be achieved on the day of vacation or the following day.		properties is being rolled out to ensure that same day or following day Void Inspections can become consistent.	
Service Standards.					
5.05	The service standard published on the website still shows the old target of 45 calendar days.	The service standard published on the website should be updated.	Low	The website for voids and lettings is to be reviewed.	Business Manager October 2007
Termination of Tenancy and Inspections					
5.06	To February 2007, pre termination visits were conducted in 64% of all terminations, but there is wide variation between areas. For example, in the Bestwood area, visits are conducted in 81% of instances, whereas this falls to 51% in St Anns and 43% in Clifton.	Pre termination visits should be conducted consistently across all areas of the city.	Medium	Pre-termination visits are now the responsibility of the central team. The Lettings Managers are responsible for stepped Quarterly improvements. In May 2007 (pre the setting up of the team, only 55% was being achieved).	Lettings Managers October 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
5.07	We noted that there are instances where pre termination visits are conducted when the keys come in to the Housing Office. This causes delays in handing the keys to technical division, and is ultimately pointless.	Pre termination visits should only be conducted prior to vacation by the tenant.	Medium	The procedure for pre-term visits is prior to the property being void and to reinforce to the outgoing tenant the condition the property should be left in and checks on final rent payments.	Lettings Managers July 2007
5.08	The outgoing tenant will be informed within an agreed time of the post termination inspection if there are any outstanding items for which they will be recharged. Whilst procedures exist to apply recharges, officers that we spoke to were not convinced that these procedures were consistently applied. We understand that recharges are, at the time that this audit was conducted, being reviewed.	Recharging procedures should always be applied where appropriate and systems should ensure that this is done.	Medium	The Lettings Managers, through the Lettings HPMS and Void Inspectors, are responsible for ensuring that rechargeables are applied consistently. Procedures, linking with the housing office and Rechargeable Officer, are being reviewed.	Lettings Managers October 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
5.09	Notwithstanding recommendations made by the Tenants services inspection team regular inspections of property when empty are not conducted, and as a result, vandalism, graffiti, litter and overgrown gardens etc might not be detected until prospective tenants visit the property.	Consideration should be given to conducting empty property inspections, especially in "higher risk" areas.	Medium	A programme of weekly void inspections is to be implemented including a 'catch up' of garden maintenance and clearing of fly tipping.	Business Manager October 2007
5.11	There is no programme of regular periodic tenancy checks. (They are biannual).	Consideration should be given to conducting regular periodic tenancy checks.	Medium	Part of the Tenancy and Estate Management Service Improvement Plan.	Head of Operations – Tenancy and Estate Management.
Exit Surveys					
5.12	Outgoing tenants are requested to complete a tenant exit survey. This completed survey is requested to be returned by post. In consequence very few surveys (only 2-3 per month) are returned and the opportunity is lost to use exit data to analyse tenant satisfaction with the service.	Exit survey procedures should be reviewed, and surveys completed with the tenant prior to vacation.	Medium	The review of the void procedures, pre-termination process and lettable standard will include an examination of exit surveys and termination reasons.	City Lettings Manager March 2008 (In liaison with the Head of Performance and Best

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
					Value)
Repairs and cleaning prior to ready to let					
5.13	<p>The target in which property should be ready to let is within an average 19 working days of the Technical division obtaining the property keys. Within this 19 day target is a target to conduct a post termination inspection within 5 working days.</p> <p>These targets are not challenging, and this view is borne out by the Audit Commission, and benchmarking of relet times.</p>	Based upon top quartile relet performance the service needs to ensure that resources are available to complete repair work within a maximum of 10 working days.	Medium	The targets for the void process have been reviewed and are more challenging. Stepped targets have been set to reduce the ART.	Technical Project Manager & Lettings Managers. October 2007
5.14	A common cause of delay with commencement of repairs is that the outgoing tenant has failed to properly clear the property.	A more consistent approach across all areas to pre termination inspections, at which the tenant is reminded of his responsibilities, together with confirmation in writing immediately prior to departure, might	Medium	<p>The pre-termination process is being reviewed so that it is implemented with training to relevant Officers, to ensure it is more effective and consistent.</p> <p>Joint pre-terminations will be tested to consider if</p>	Business Manager October 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
		<p>reduce the amount of clearance work necessary.</p> <p>Also greater volumes of pre termination inspections would assist in work scheduling, as specialist repairs, as well as obvious non specialist repairs and potential external cleaning could be identified earlier.</p>		void works and programming can be started pre-termination.	
5.15	Time is frequently lost due to failure of the post completion inspection, necessitating remedial work and a second inspection.	The causes for failure should be analysed to identify and eliminate recurrent causes. Procedures should be reviewed.	Medium	The recording systems for post inspections are being reviewed so that properties failing are monitored and included as part of the Void Inspectors performance management.	Technical Project Manager October 2007
5.16	In March 2006 the Head of Performance & Best Value commissioned the Tenant Services Inspection team to undertake a	The lettable standard was subsequently reviewed, but requires further	Medium	A full review of the current lettable standard is underway including a	Business Manager

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	<p>scrutiny exercise focussed upon the standard of empty properties deemed 'Ready to let 'by the Company during that month.</p> <p>The scrutiny consisted of visits to 10% of all properties deemed ready to let in the period to establish whether they met the ' lettable standard ' and whether they were ready for a prospective tenant to move into. The 'lettable standard 'is a minimum standard that has been agreed with tenants.</p> <p>Of the properties visited 10% were deemed to have failed to achieve this lettable standard.</p> <p>Concerns were also expressed that the lettable standard was not sufficiently wide reaching to provide a true reflection of the quality of the 'finished product' that was being offered to prospective new tenants.</p> <p>Our testing suggests that insufficient</p>	<p>revision.</p>		<p>pilot of a sample of properties to be used as "this is the lettable standard" so that crafts, cleansing and void inspector teams are properly trained and then performance managed.</p> <p>Tenants will be involved in this pilot and EMT will inspect the pilot voids to sign off the standard. A wider review involving more tenants will continue to December 2007.</p> <p>Average costs will be analysed.</p>	<p>October 2007</p>

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	attention has been paid to the recommendations made in this report as many of the issues raised in the report have still not been properly addressed.				
5.17	<p>In addition to failing to consistently meet unchallenging targets, tenants are not universally satisfied with the quality of repairs and cleaning.</p> <p>In Quarter 3 2006/7, 26% of new tenants were dissatisfied with both the condition of their new home and garden when viewed, and with the quality of vacant property repairs.</p>	The causes for failure should be analysed to identify and eliminate recurrent causes. Procedures should be reviewed.	Medium	<p>A programme of garden maintenance to voids will be carried out.</p> <p>The review of the lettable standard will include Quality Assurance procedures to ensure standards are achieved consistently and will include gardens and cleaning standards.</p>	<p>Business Manager</p> <p>October 2007</p>
5.18	The iWorld system is not consistently correctly updated. For instance, unconfirmed vacancy dates are entered after keys are with the Technical Division and the date that keys leave Technical Division is not consistently noted	The iWorld system should be consistently correctly updated.	Medium	The formation of the central team will ensure that procedures are applied consistently and that SX3 is updated real time to enable accurate monitoring of progress.	<p>Lettings Managers</p> <p>October 2007</p>

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
Ready to let properties.					
5.19	The number of working days taken at stage 6 (ready to let to relet) of the vacant property process, shows considerable variation between Housing Office areas.	The reasons for this should be analysed. A more proactive approach across all areas of the city is required.	Medium	Performance targets per Quarter have been implemented and will be monitored with exception reporting on those outside target.	Lettings Managers October 2007
5.20	Inefficiencies in the allocations and letting process, such as the time taken to register application forms (12.7 days v 5 days target, (AL-1)), are potentially prejudicial to the average re-let time.	Resources should be directed towards reducing and then maintaining the time taken to register application forms	Medium	There has been a consistent under performance in the registration process. The process was centralised to improve turnaround and quality. Quality has improved but backlog of registrations have increased. More robust management and monitoring systems have been implemented to improve upon the inefficiencies identified.	Allocations Co-ordinator October 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
5.21	<p>Whilst information is collected on why applicants refuse properties, there is limited evidence that this information is actually used to improve service provision or performance.</p> <p>In Quarter 3 2006/7, the latest complete quarter, it is surprising that even under CBL, the refusal rate runs at 33% and that 50% of these refusals were due to location or lack of facilities. This may be because speculative bids are made by prospective tenants without adequate consideration. We understand that a tenant may make any number of withdrawn bids without penalty.</p> <p>In some areas, more than 10% of refusals are due to property condition, which reinforces the findings of the Tenant Services Inspection Team.</p>	<p>Information collected should be fed back into letting processes to improve letting performance.</p>	Medium	<p>A system to effectively monitor and analyse refusal rates and reasons will be implemented so that service improvements are identified.</p>	<p>Allocations Co-ordinator and Lettings Manager. March 2008</p>
5.22	<p>Properties are not generally proactively “marketed” and in consequence the time taken to relet a property measured from</p>	<p>Properties should be advertised on Homelink during the notice period.</p>	Medium	<p>A marketing strategy for CBL is to be implemented. Most properties will be</p>	<p>Allocations Co-ordinator October 2007</p>

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	<p>the time it is ready to let, is far greater than the target.</p> <p>Properties are not advertised on Homelink until the keys come in from the existing tenant. This means that the notice period is not used effectively.</p> <p>Further, applicants are not able to view properties during the notice period or whilst works are ongoing,</p>	<p>The co-operation of the tenant should be sought to allow access at reasonable times to show prospective tenants around the property during the notice period.</p> <p>Prospective tenants should be shown around the property during ongoing repairs whenever possible.</p>		<p>advertised from the receipt of notice, with the exception of some properties or band 1.</p> <p>An accompanied viewing pre-RTL procedure has been agreed and will consistently applied.</p>	<p>Lettings Manager October 2007</p>
5.23	Some properties suffer from the appearance of blight due to the excessive use of steel screens in empty properties	More effort is needed to reduce the appearance of blight. For example, the	Medium	A new security contractor has been appointed. Monthly targets of screens	Business Manager

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	(although targets do exist to reduce the use of screens in 2007/8), the presence of graffiti and litter etc	use of netting rather than steel screens in empty properties), the reduction in graffiti and litter etc.		in use is to be established and targets for netting and alarms monitored.	October 2007
Hard to let properties					
5.24	There is an understanding of why and where properties are hard to let, but there is no systematic response or strategy to make these properties easier to let. For instance, if a property is hard to let due to condition, there is no strategy for condition improvement at present.	Strategies need to be developed to make these properties easier to let.	Medium	The first review of the Low Demand Register and systems is to be undertaken, this will include actions identified to tackle those properties defined as low demand.	Allocations Co-ordinator October 2007
5.25	There is no separate relet standard for hard to let properties. A standard should have been developed by June 2006 but still has not been completed, although we understand that the intention still presently exists to develop separate relet standards for the whole city and specific areas, designed to make these hard to	Separate relet standards should be developed.	Medium	Pilot initiatives are part of the Allocations, Lettings and Voids Service Improvement Plan 2007/8.	Business Manager October 2007

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	relet properties more desirable and easier to let.				
5.26	Some property in the hard to let register, is in reality almost impossible to let. Examples include multi storey sheltered accommodation without lifts which are not fit for purpose. We are not aware that any long-term options appraisal for stock which is consistently hard-to-let or not fit for purpose has been undertaken.	Long-term options appraisal for stock which is consistently hard-to-let or not fit for purpose should be undertaken and consideration should be given to decommissioning property that is not fit for purpose.	Medium	A decommissioning review is to take place with recommendations made to NCC. A Sheltered Housing strategy is currently being drafted and this will include sheltered voids that have no demand or are not deemed to be fit for purpose.	Business Manager March 2008 Rod Stair October 2007
Performance monitoring					
5.27	The reported average time to relet housing does not comply with the definitions published in the Audit Commission guidance. Officers responsible for performance monitoring consider that the method of calculation used most fairly reflects relet performance and ties in neatly with	If any aspects of the existing methodology are maintained internally, the compliant methodology must be used for external reporting. It is clearly essential that internal and	Medium	The ART reporting has been amended so that it complies with the Audit Commission guidance.	Head of Performance and Best Value May 2007 Complete

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
	<p>other indicators such as lost rent. They also have a strong conviction that assuming the compliant methodology would result in an artificial improvement in the relet time.</p> <p>Notwithstanding this, we understand that subsequent to the completion of our audit fieldwork all changes have now been made to comply with the guidance and indeed backdated for 2006-07 prior to year end sign off of BVPI data.</p>	<p>externally reported figures are properly reconciled and any externally reported figures for previous years restated where used for comparative purposes.</p>			
5.28	<p>The average relet time quoted in management information is distorted by "backlog" properties.</p>	<p>For internal purposes only it would be beneficial to segment performance to quantify the effect of vacant property over 6 months, lets of sheltered accommodation and other HTL properties and thereby highlight underlying performance</p>	Medium	<p>The performance management established provides an overall ART but underlying trends are monitored on general needs or excluding sheltered or excluding long term voids.</p>	<p>Performance Manager July 2007</p>

Ref	Finding	Recommendation	Priority	Management Response	Responsibility and Target Date
		of vacant property relets.			
5.29	The Performance and Best Value team maintain an impressive array of performance information. For instance, extensive data and analysis is available in respect of performance of intermediate activities within the vacant property cycle, reason for refusals of offers, CBL performance and new tenant satisfaction. It is not apparent however that this information is being put to good use. Reporting would also be greatly enhanced by reporting performance of intermediate activities within the vacant property cycle	The performance information should be published internally.	Medium	The performance information for Voids and Lettings has been reviewed and an agreed framework established.	Head of Operations and Performance Manager August 2007

Susan Taylor

Signed.....

13th August 2007
Date.....

(3rd tier manager or above)

Glossary of Terms

1 Categorisation of Recommendations

The recommendations within this report have been categorised by City Audit Services as:

High Priority	A fundamental weakness which presents material risk to the audited body and requires urgent attention by management.
Medium Priority	A significant weakness whose impact or frequency presents an unacceptable risk to the audited body that should be addressed by management.
Low Priority	The audited body is not exposed to any significant risk, but the recommendation merits attention.

In all cases Internal Audit will follow up implementation of the recommendations by the agreed date.